



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Sandra Farmer
Relevant scrutiny committee: Housing Management Board 19/6/2012
Wards affected: All Wards

REVIEW OF GARAGES ACROSS THE CITY Not a Key Decision

1. Executive summary

- 1.1 This report sets out the current position and issues regarding Council garages in the City. It proposes an improvement plan for dealing with the issues and makes recommendations for differential charges for popular City centre garage sites.
- 1.2 Key priorities identified are as follows:
- a) Review charging mechanism for garages
 - b) Identify garage sites where there is low demand or where investment requirements mean that retention of the garage site is not financially viable.
 - c) Use proceeds of sales of garage sites to fund improvement programmes to improve the quality of garage sites for which there is a continuing demand.
 - d) Identify garage sites where alternative use can facilitate the Council's broader parking initiatives and regeneration programmes.
 - e) Carry out appraisals on garage sites to inform the improvement plan.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To agree the principles underpinning the Improvement Plan.
- 2.2 To approve the development of the Improvement Plan in context with the HRA Business Plan.
- 2.3 To agree in principle the implementation of differential charges for popular City centre garage sites.

3. Background

- 3.1 The Council has a large stock of garages with a potential annual income of £807,781 to the Housing Revenue Account (HRA) if all were let.
- 3.2 The stock consists of 1859 garages and 7 chargeable parking spaces. In some wards there is a surplus of garages compared to demand.
- 3.3 At the time of writing this report 1416 garages are occupied and 450 are currently empty.
- 3.4 Almost a quarter of the available stock of rented garages remains vacant. The reasons for lack of demand:
- Lack of security
 - Garage too small for a modern day car
 - Condition of garage
 - Current economic situation
 - Proximity of garages to home address
- 3.5 Garage refurbishments have taken place to address high voids due to security and condition of garages. For example, East Road garages where the refurbishment has significantly improved residents views of the large block of garages.
- 3.6 To help promote garages a new interactive web site has been launched for the South of the City. Customers are now able to view garage sites via an interactive map. If successful, this will be launched for garage sites in the North of the City.
- 3.7 The following garage sites have been identified for consideration for development on the 3 year affordable homes programme

North of the City

- Atkins Close
- Cadwin Fields
- Cameron Road
- Markham Close
- Northfield Avenue
- Uphall Road
- Wiles Close
- Hawkins Road (blocks 1-20 and 81-91and 301-326)

South of the City

- Gunhill Way
- St Matthews Street
- Garages adjacent 9 and 10a Ventress Close

4.0 What are the current issues?

- 4.1 A high number of the Council's garage sites are not in demand, as they do not meet current residents expectations. Reasons are outlined in 3.5 above.

- 4.2 The provision of affordable housing is identified as a key Council priority. Some garage sites occupy prime land that could be redeveloped for housing or provide opportunities for the Council to realise capital receipts.
- 4.3 In areas where there is continuing or potential demand for garages funding will need to be prioritised to make improvements and provide security measures.
- 4.4 Examples of low demand garage sites are shown in appendices 1 and 2.
- 4.5 Where low demand sites do not meet current residents expectations decisions will have to be made in terms of long-term viability of these sites including the possible demolition of garages and the use of land for other purposes.
- 4.6 In determining improvements for the future, consideration needs to be given to the following:
- The need to make best use of the land.
 - The need to take account of current/expected demand.
 - An appropriate pricing/investment policy.
- 4.7 Whilst improvements have been made over the past few years there is a need for an updated improvement plan (App.3) to continue the progress made.
- 4.8 The main principles underpinning the improvement plan are:
- Reduce the number of garage voids to below 10%
 - Improve the satisfaction levels for our existing garage tenants.
 - Improve the security and condition of the garage stock.
 - Rental charges are fair and equitable.
 - Reduce on-road parking by creating additional off road parking spaces. Where possible.
 - Make effective use of Council land by possible disposal of garage sites where there is low demand or where investment requirements mean that retention is not financially viable.
 - Continue to identify garage sites where alternative use can facilitate the Council's broader parking initiatives and regeneration programmes.
 - Allocate funding on identified poor condition and/or high demand garage block locations throughout the City.
- 4.9 Initial appraisals have been completed for each of the garage sites across the City. These appraisals have identified works required to refurbish garage sites and will be used to prioritise sites for refurbishment as part of the Improvement Plan (App.3).
- 4.10 Garage sites that are considered a priority in the initial appraisal will have a detailed appraisal completed. The detailed appraisal will consider issues of community sustainability, demand, voids rate, vandalism, anti social behaviour, fly tipping, availability of parking generally and any other factor individual to a specific site. The options for the future of non-viable sites will include retention (eg for community sustainability reasons), new council housing, demolition, parking areas, open space and disposal.

4.11 Proceeds of sales of garage sites will fund improvement programmes to improve the quality of garage sites where there is a continuing demand.

5.0 Review of Charging

5.1 Changes to the policy of charging will be reviewed in the January budget making report. Two areas are whether charges to non-tenants should be higher than Council tenants and whether we charge a higher rate for popular City centre garages.

5.2 The current basic garage rent ranges from £3.74 (parking space) to £16.99 per week. See table below:

Examples of ranges of weekly rent	
Leete Road parking space	£3.74 per week
Parking spaces in Bermuda Road	£6.93 per week
1462 actual garages	£8.92 per week
Garages in Bermuda Road and Hooper Street	£16.99 per week

5.3 Benchmarking the Council's garage rental charges against other Councils (see table below), reveals that the current garage rent in Cambridge is similar to these authorities. However, the pricing structure demonstrates a higher charge for non-Council tenants, and in Norwich City non-City resident are charged an even higher weekly charge.

Authority	Council Tenants	Non Council Tenants	VAT	Non-City Resident	Vat
South Cambs	Standard Garage £7.78	£10.74	£2.15	£10.74	£2.15
Oxford City Council	Standard Garage £11.80	£11.80	£2.36	£11.80	£2.36
Norwich City Council	High demand garage: £8.38	£12.00	£2.40	£19.54	£3.91
	Normal demand garages: £8.38	£10.90	£2.18	£19.54	£3.91
	Low demand garages: £6.03	£6.75	£1.35	£7.54	£1.51
	Parking bay: £4.32	£8.72	£1.74	£10.90	£2.18
Stevenage	Standard garage: £9.11	£9.11	£1.82	£9.11	£1.82
	Premium garage: £9.62	£9.62	£1.92	£9.62	£1.92

5.4 Approximately 62% of the garages let in Cambridge are currently let to non-council tenants. Adopting a differential pricing structure similar to Norwich would generate additional income for the Housing Revenue Account. For example, a

10% increase in the garage rental price to non-council tenants would generate an additional £38,790 per annum, assuming that demand did not fall as a result of the price increase.

6. Implications

(a) Financial Implications

The recently approved HRA 30-Year Business Plan and Asset Management Plan included increased funding to allow investment of £300,000 per annum to improve and maintain garage blocks between 2012/13 and 2016/17. The increased level of investment is anticipated to allow rectification of the investment needs identified in a garage survey undertaken in a prior year. From 2017/18 the annual capital allocation will return to £100,000, allowing the improved condition of garages to be maintained on an ongoing basis.

Any recommendation for the disposal of a garage site for either open market sale or re-development will require a scheme appraisal to determine the potential financial implications of any proposal for decision.

(b) Equal Opportunities Implications

This improvement plan will consider look at parking issues for disabled residents.

7. Appendices

Appendices 1: North garage sites sample

Appendices 2: South garage sites sample

Appendices 3: Proposed Garage Improvement Plan

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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